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10-368

MEMORANDUM FOR: Director of Central Intelligence

THROUGH: Deputy Director (Support) JAN 20 1958

SUBJECT: Proposed Pay Increases

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1. This memorandum is for information.

2. A number of bills have been introduced in the Congress to increase the pay of Federal employees. Proposals receiving serious consideration, however, are those of the Administration and the Johnston-Neuberger bill (S.734). The principal difference between these proposals is the amount of the increase. The Johnston-Neuberger bill proposes 7½ per cent through GS-12 and an average of about 9 per cent in the higher grades (actually, 8.5 per cent for GS-13, 15, and 16; 9 per cent for GS-14; 10 per cent for GS-17; and 9.5 per cent with a single rate of \$17,500 for GS-18) as contrasted with the Administration proposal which would provide an average increase of about 6.4 per cent and a base of \$17,500 with steps up to \$19,500 for GS-18.

3. According to Mr. Joseph Winslow of Mr. Siciliano's office, there is a strong inclination in the Congress to avoid opening up the executive pay issue. This explains the \$17,500 ceiling on GS-18 in the Johnston-Neuberger bill. If this amount were exceeded, the pay of classified employees in GS-18 would be more than that now specified for some of the deputy agency heads in the executive pay bill.

4. These proposals are still being discussed by the Post Office and Civil Service Committees and Administration representatives.

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Gordon M. Stewart
Director of Personnel

JAN 14 1958

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Proposed Salary Scale Forwarded to Congress

**White House Seeks 6% Pay Boost
For Most U. S. Workers, \$19,500 Top**

By **JOSEPH YOUNG**
Star Government Columnist

The White House today sent to Capitol Hill full details on its legislative proposal for pay raises for the Government's 1.5 million classified and postal workers.

The main features of the administration's plan provide:

1. A flat 6 per cent increase for Government classified employees in Grades 1 through 10.
2. A 7.5 per cent increase for classified workers in Grades 11 through 14.
3. Increases of 12 to 14 per cent for classified employees in Grades 15 through 18.
4. Lifting of the present \$16,000-a-year classified pay ceiling to \$19,500.
5. A flat 6 per cent increase for all postal workers.

Most Get 6 Per Cent

The large majority of classified employees would receive a flat 6 per cent raise under the administration's proposal, since most of them are in the first 10 grades.

However, the proposed larger increases for middle and upper grade employees would bring the overall average raise for the entire classified service to 6.4 per cent.

The administration's pay plan would also include provisions for within-grade pay raises for meritorious service, in addition

to the present automatic within-grade salary increases.

Grade 7 for Graduates

Also, college graduates hired for managerial and professional jobs would be hired at Grade 7 instead of the present Grade 5.

Presidential Press Secretary James Hagerty said the cost of the pay raises for classified and postal workers would be \$535 million a year.

The administration's proposal would cover all Government classified employees, including those in such agencies as the Atomic Energy Commission, the Tennessee Valley Authority, the Central Intelligence Agency, the FBI, the State Department, foreign service, the Veterans Administration's Bureau of Medicine and Surgery and the District government.

MEMORANDUM FOR: THE DIRECTOR

The Office of the Comptroller estimates that based on our FY 59 budget request, the proposed pay raises would increase our salaries by the following amounts:

Johnston - Neuberger Bill --

Administration Proposal --

As pointed out in paragraph 3 of the attached memo from Gordon Stewart, Congress does not want to open up the Executive Pay issue. Unless that is done, the Agency's Executive Salaries would presumably remain unchanged.

H. Gates Lloyd

Assistant Deputy Director
(Support)

21 January 1958
(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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